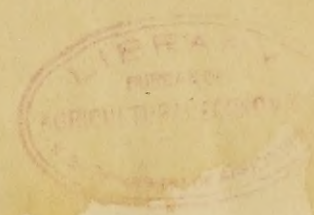


UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

AN 1 1942

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THE CALIFORNIA FARM LABOR SITUATION, OCTOBER 1941

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October 29, 1941

THE SUPPLY SITUATION

By the first of October this year there were only about three persons seeking farm employment where there were four last year. This is a reduction in supply of some 25 percent. However, it is doubtless safe to say that considerably more than one-fourth of the workers who were in the farm labor field have moved into jobs in defense industries and other non-agricultural industries. In many areas, their places in agriculture have been taken by high school and college students, women, older workers, and persons who had been receiving public assistance. Migration into the State also has continued to be an important source of additional farm labor.

Changes in the supply of farm labor since October 1939 have been about the same in California as in the Nation as a whole. Among the neighboring States, Arizona has experienced about the same changes as California while Oregon and Washington have apparently experienced more drastic reductions in their supplies. California and Arizona were estimated in October 1941 to have 72 percent of the October 1939 level of supply, whereas Oregon and Washington are estimated to have been reduced to 62 percent. (Refer to table 1.)

The armed forces have of course absorbed many farm workers--both paid and unpaid family hands. Even greater numbers of former agricultural laborers have gone into defense industries of all kinds. But in California possibly the greatest loss of farm workers has been into nonagricultural jobs left vacant by the movement of former jobholders into higher paid defense jobs. In other words, there has been a general movement up the occupational ladder.

Influence of Migration

Migration to California has apparently been greater this year than ever before. In addition to the great number of skilled workers moving in for defense work, the migration of agricultural population from the South Plains has been larger than the previous peak years of 1937 and 1938. The latter are the people who used to be called "drought refugees," "Okies," or "Arkies." In past years a major portion of this group have proceeded directly to rural centers where they became available for agricultural employment. But during the early part of this year the majority altered their destination and proceeded to metropolitan and defense centers in the hope of obtaining employment. Many, however, have experienced disappointment and later removed to rural areas in search of manual employment.

Such workers were reported to have made up the major source of additional labor for the Yuba-Sutter peach harvest. As the cotton season

TABLE 1.- CHANGES IN THE SUPPLY OF FARM LABOR SINCE OCTOBER 1939
 California compared with other States and the U. S.
 (Expressed as a percentage of the estimate of normal for October 1939)

Date	California	Oregon	Washington	Arizona	United States
	Percent	Percent	Percent	Percent	Percent
October 1939	100	100	100	100	100
January 1940	103	104	100	107	103
April 1940	103	102	98	103	102
July 1940	97	93	85	101	98
October 1940	96	95	89	99	96
January 1941	93	96	91	88	96
April 1941	86	78	75	85	84
July 1941	76	69	65	77	74
October 1941	72	62	62	72	71

Source: Calculated from data released by the Agricultural Marketing Service, United States Department of Agriculture.

opened in the San Joaquin Valley, a large and rapid in-migration took place. During the week ending October 4, the Agricultural Labor Information Station at Bakersfield interviewed 200 jobseekers. 97 percent of whom were seeking jobs as cotton pickers. ^{1/} As of the week ending October 11, the California Department of Employment estimated that 18,500 workers were seeking employment in cotton picking and that 10,000 were still unemployed.

It was mentioned above that migrants from the Plains States have continued to migrate in even larger numbers than ever before. In addition to those originating in these States, California has been gaining labor supply from Arizona. Last year approximately the same volume of westward migration was experienced across the eastern borders of both Arizona and California. This year the number entering California across the Arizona border exceeded the entries into Arizona from the East, thus indicating a depletion of the Arizona supply. Moreover, the entries back into Arizona from California have been smaller this year than last.

Thus despite the opportunities in defense and nonagricultural industries, migration into California continues to be a major source of farm labor.

Workers on Public Assistance

The number of cases receiving aid from the State Relief Administration declined rapidly during the latter half of 1940 and the first part of 1941. By June 1941 when SRA was terminated there were 28,800 actual cases. Total cases receiving county aid had remained fairly constant at between 35,000 and 37,000 during the two years prior to June 1941. Since the county aid load increased by over 10,000 cases immediately following termination of SRA, there evidently was a transfer of this number from the State to county rolls. However, the county load was quickly reduced from 45,000 in July back to the earlier level of 35,000 in September.

In July of this year the Farm Security Administration grant case load was 3,317 or three-fifths of the number in July 1940. By October this case load had been reduced to approximately 2,000, or about half the number of a year ago.

The number of workers on WPA projects has also been substantially reduced over last year. It is doubtful that this program now carries any significant reserve of workers capable of becoming farm laborers. Since the county aid rolls include very few employable workers, the same generalization may be made for the county programs. In total then, all public aid programs now carry an almost negligible reserve of workers capable of becoming agricultural laborers.

^{1/} California Department of Employment. Weekly Agricultural Labor Report, October 4, 1941.

Inverse Relation Between Agricultural and
Nonagricultural Labor Supply

It is generally known that the number of workers seeking jobs in agriculture decreases when nonagricultural industries begin to expand. Conversely, as nonagricultural industries contract, the displaced workers seek farm jobs and the agricultural labor supply increases. The full extent to which these two tendencies are inversely related is graphically demonstrated by a chart prepared by the Agricultural Marketing Service which is reproduced in this report. (Refer to figure 1.)

THE DEMAND SITUATION

There was little change in demand for farm labor in the year between October 1939 and October 1940. But in this last year California as well as neighboring States and the Nation as a whole has experienced a slight increase in demand for farm labor. This upturn in labor requirements, ranging to around 10 percent over a year ago, reflects improved farm prices and resultant actual or anticipated increases in farm incomes.

In most lines of production, farmers have not been able because of technical or legal restrictions to make immediate responses to increased prices. In the coming year, however, the "Food for Freedom" production goals call for greatly augmented output of meats, poultry, dairy products, and certain fruits and vegetables. Achieving these goals will mean an increased total labor requirement for California.

In the coming season, California will require more man-days of farm labor and a certain amount of shifting in types of labor as well. More milkers and dairy and livestock hands will be needed. Increases in truck crop production will involve a greater need for field workers, irrigators, and tractor drivers. In part, the requirements of these types may be filled by transfer of workers from other lines of crop production which do not expand.

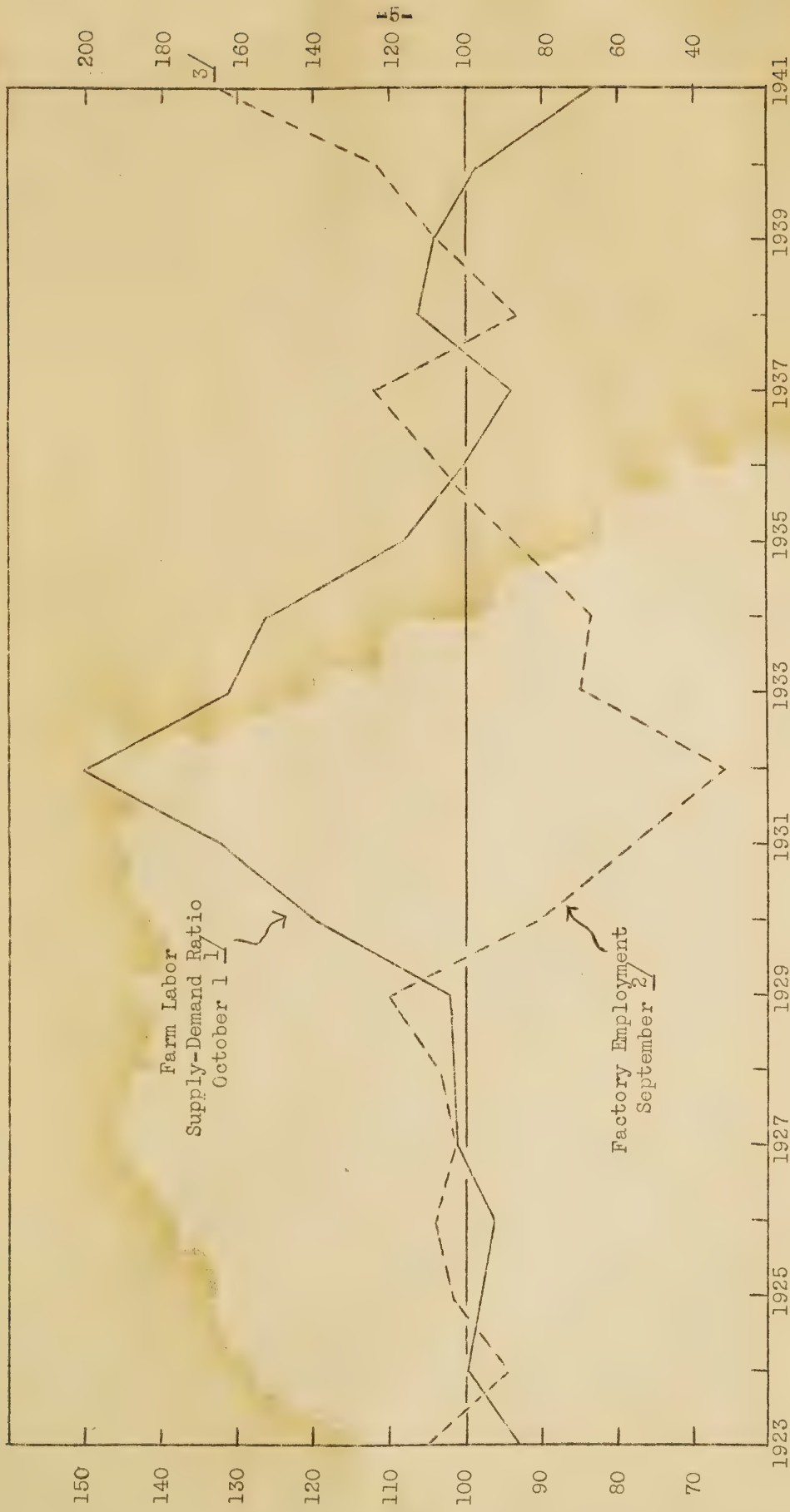
Two instances in which reductions of labor supply have been most noted this year are milkers and tractor or other machine operators. In view of the fact that there will probably be expanded demand for these types of workers, some forethought and planning appears to be in order.

Of milkers and livestock hands, it can probably be said that, in general, these workers have fewer high-wage alternatives in defense and nonagricultural industries than do tractor drivers or other workers who have mechanical experience. Therefore, dairy and livestock producers will probably experience less severe competition for their labor. Wage concessions corresponding to improved farm prices will probably retain and induce a sufficient supply of poultry, livestock, and dairy workers. But in

Factory
Employment
Percent

Farm Labor Supply as Percentage of Demand, October 1, and
Factory Employment, September, United States, 1923-1941

Farm
Labor
Percent



- 1/ Supply as percentage of demand. "Normal" supply with "normal" demand = 100.
 - 2/ Employment in manufacturing industries. Monthly average 1923-25 = 100.
 - 3/ August 1941 - latest data available.
- Source: Farm Labor Report, October 1941, Agricultural Marketing Service.

the case of capable tractor drivers and other workers experienced with machinery, it will probably be impossible for farm employers to compete entirely in terms of wage increases. Over and above wage concessions, a comprehensive vocational training program in these lines appears to be required. Even then, if the high level of nonagricultural employment continues to prevail, farm employers will probably have to face a rapid rate of turnover of the newly trained young men.

WAGE RATES

Farm wage rates have advanced considerably since October last year. According to data released by the Agricultural Marketing Service wages per month with board have jumped from an average of \$47.75 to \$62.25; rates per month without board have advanced from \$72.25 to \$89.50. Comparable changes in rates per day with and without board are \$2.10 to \$2.95 and \$2.95 to \$3.70 respectively.

When all rates are considered together, there has been about a 33 percent increase since October 1939, but nearly all of this has taken place in the past year. (Refer to table 2.) This compares closely with a 31 percent advance for the Nation as a whole, but is below Oregon and Washington where rates have been advanced 40 and 45 percent respectively.

The question which arises immediately is this: Have rising wage rates been accompanied by an increasing ability on the part of farmers to pay the higher wage rates? Of course, an adequate answer to this would require comparisons of wage rates by types of labor directly against net farm incomes of the types of farms employing each class of labor. This would require the assembling of much information which is not now at hand. Unfortunately, there is not now available a composite index of California farm prices which could be compared to a composite index of California farm wage rates.

It was observed, however, (table 2) that farm wage rates in California have changed in about the same way as farm wage rates in the Nation as a whole. If it be assumed that California farm prices have changed approximately as those of the Nation, some idea of ability to pay in California can be obtained through a comparison of the National farm price index with the National farm wage rate index. This is done in table 3. By glancing at the third column it is apparent that on a National basis, the general farm price index has tended to move a little ahead of the farm wage rate index for all types of farm labor. Unfortunately, farm prices as of October 1 price data were not available. As of July 1, however, farm prices as compared with the ratio existing in October 1939 were still advancing slightly ahead of farm wage rates.

TABLE 2.- CHANGES IN FARM WAGE RATES SINCE OCTOBER 1939

California compared with other States and the U. S.
(Expressed as a percentage of the estimate of normal for October 1939)

Date	California	Oregon	Washington	Arizona	United States
	Percent	Percent	Percent	Percent	Percent
October 1939	100	100	100	100	100
January 1940	98	89	86	97	94
April 1940	99	94	95	101	98
July 1940	100	102	104	102	102
October 1940	102	99	107	105	102
January 1941	101	94	91	99	98
April 1941	109	107	109	105	110
July 1941	123	128	126	116	127
October 1941	133	140	145	129	131

Source: Calculated from data released by the Agricultural Marketing Service, United States Department of Agriculture.

TABLE 3.- CHANGES IN FARM WAGE RATES AND IN PRICES RECEIVED
BY FARMERS SINCE OCTOBER 1939
UNITED STATES

Date	: Prices received: by farmers: all: commodities :	Farm wage rates	: Ratio: farm prices to farm wage rates
	: <u>Percent</u> :	: <u>Percent</u> :	: <u>Percent</u> :
October 1939	: 100 :	: 100 :	: 100 :
	: :	: :	: :
January 1940	: 102 :	: 94 :	: 109 :
	: :	: :	: :
April 1940	: 101 :	: 98 :	: 103 :
	: :	: :	: :
July 1940	: 98 :	: 102 :	: 96 :
	: :	: :	: :
October 1940	: 102 :	: 102 :	: 100 :
	: :	: :	: :
January 1941	: 107 :	: 98 :	: 109 :
	: :	: :	: :
April 1941	: 113 :	: 110 :	: 103 :
	: :	: :	: :
July 1941	: 129 :	: 127 :	: 102 :
	: :	: :	: :

Source: Farm price changes calculated from data issued currently in The Agricultural Situation, published by the Bureau of Agricultural Economics, United States Department of Agriculture. Farm wage rate changes calculated from data published currently by the Agricultural Marketing Service, United States Department of Agriculture.

EMPLOYMENT AND EARNINGS OF WORKERS LIVING IN FARM SECURITY ADMINISTRATION LABOR CAMPS

The number of families living in FSA camps declined during the first half of the year but picked up again between July and October. Most of the pickup in the latter part of this year was in the San Joaquin Valley camps. On October 4 there were 1,533 families in the camps, of whom 990 were in the San Joaquin Valley. Despite the decline from the first of the year, there were nevertheless more families in the camps in October this year than at the same time a year ago. Housing accommodations in the camps have increased in the meantime, however, so that in relation to capacity the camps were less in use in October this year than a year ago. The least used facilities were in the Imperial Valley.

Workers living in the camps have on the average received twice the amount of employment this year that they received last year. Last year, between July and September, FSA camp workers were working, on the average, between one and two days per week. This year the average has been between two and three days. (Refer to figure 2.)

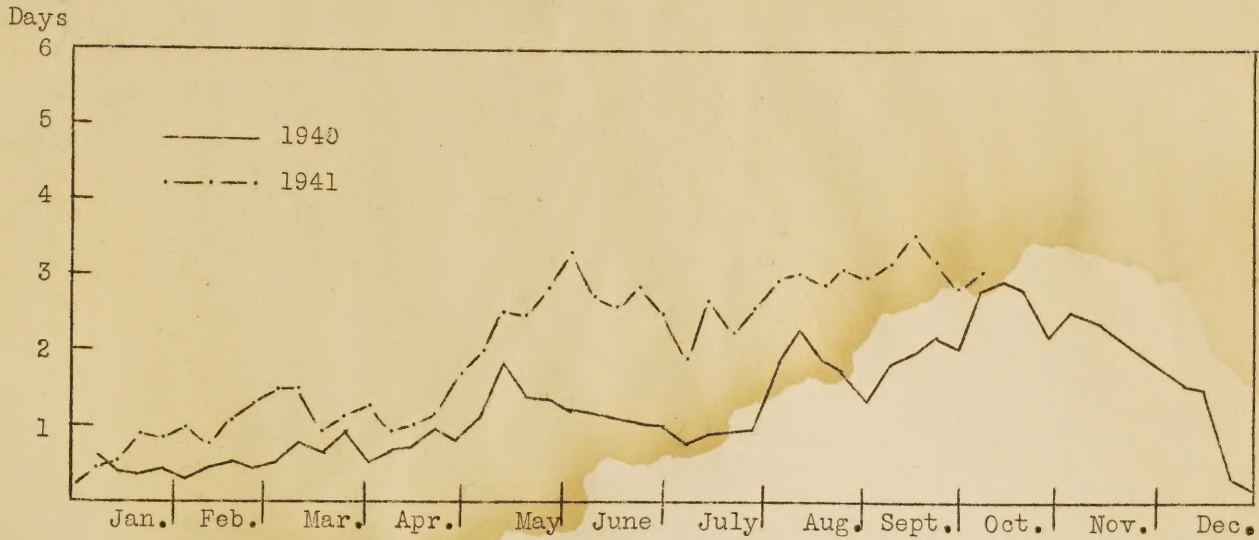
Improvements in earnings have been even greater, due to rising wage rates and increased earnings per day. In July to October, last year, these workers were making \$3.00 to \$6.00 per week whereas this year earnings are between \$6.00 and \$10.00.

Despite the improved employment situation for workers in FSA camps, it is evident that there is yet a great volume of man-days of available labor going unused. While this group of workers cannot be claimed as representative of all farm workers in California, their experience thus far this year strongly suggests the possibility of a great amount of labor time not being utilized. Unused time available from the present supply of farm workers may be one of California's largest labor reserves. By careful planning towards efficient distribution and economical use of the available supply, the majority of these man-days of unused labor would become available to California farm employers.

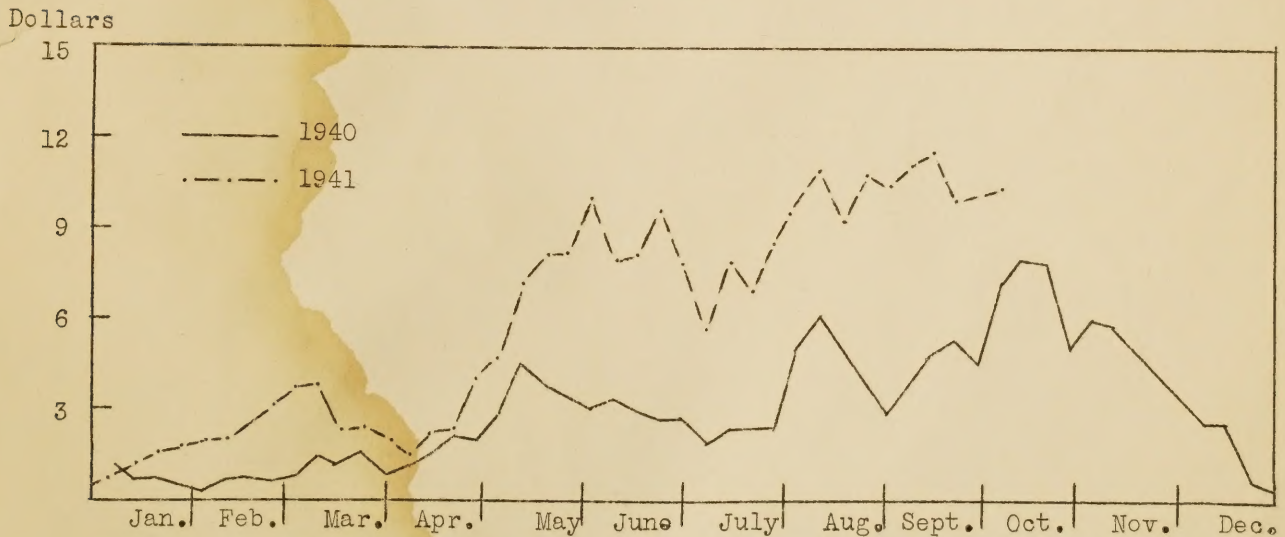


Figure 2

Average Days of Employment Per Week:
Workers Living in Farm Security Administration Camps in California
1940 and 1941



Average Earnings Per Week:
Workers Living in Farm Security Administration Camps in California
1940 and 1941



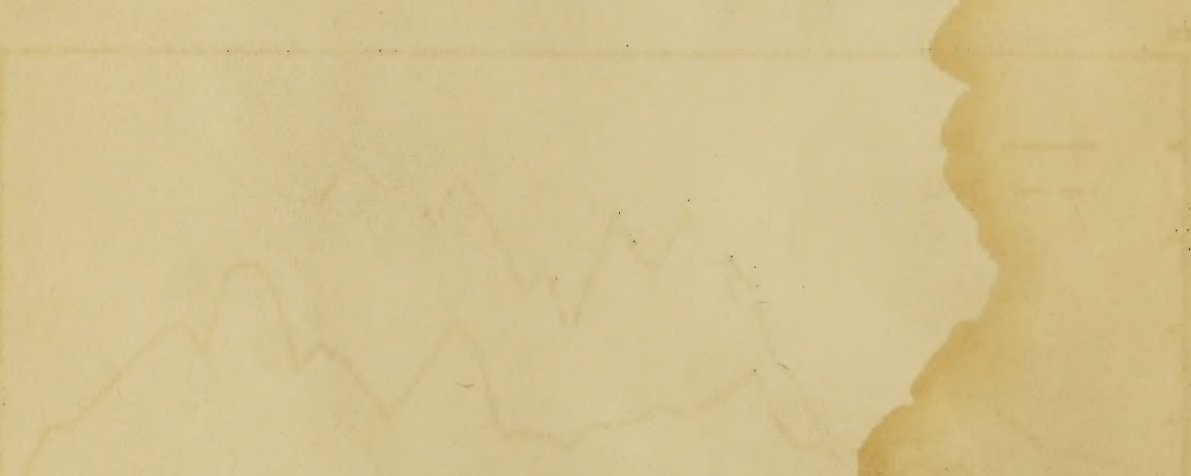
Source: Computed from data supplied by Farm Security Administration.

Assistance in the preparation of these materials was furnished by the personnel of Work Projects Administration Official Project No. 165-2-08-374.

THE JOURNAL OF THE
SOCIETY OF AMERICAN HISTORIANS
PUBLISHED BY THE
AMERICAN HISTORICAL ASSOCIATION
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This distinction leads back finally to an obvious difference in points of view between the social psychologists and the social anthropologists. The psychologists are interested in public opinion. The anthropologists are interested in institutions. Both public opinion and institutions are products or aspects of collective action. But public opinion is, in a sense and to a degree, an institution in process. An institution, on the other hand, is public opinion after it has become stabilized and fixed in tradition and in the mores.

I am not certain that the referendum the Department is now using to get the cooperation of the farmer is the best means for getting the results sought. I do think, however, that something which involves the principle of the social survey, as the Sage Foundation once conceived it, may do the trick. Something in the way of a survey in which the farm communities participated might possibly be carried out with the aid of the farm papers.

This is a long letter, longer than I originally intended it should be. Since you were kind enough to invite me to participate in your extraordinarily interesting and instructive seminar I thought you might be interested in knowing what I got out of it.

